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ZNR UUUUU ZZH
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FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 1138
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 4011
RUEHBJ/AMEMBASSY BEIJING 1828
RUEHUL/AMEMBASSY SEOUL 0068
RUEHKO/AMEMBASSY TOKYO 1695
RUEHIT/AMCONSUL ISTANBUL 2264
RUCPDO/DEPT OF COMMERCE WASHDC
RHMFIUU/CDR USCENCOM MACDILL AFB FL
RHEBAAA/DEPT OF ENERGY WASHDC
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEKJCS/JOINT STAFF WASHDC
RHEHNSC/NSC WASHDC
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UNCLAS ASHGABAT 000873

SENSITIVE
SIPDIS

STATE FOR SCA/CEN, EEB
PLEASE PASS TO USTDA DAN STEIN
COMMERCE FOR HUEPER
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E.O. 12958: N/A

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SUBJECT: TURKMENISTAN: DESPITE PRESS REPORT, KOREANS NOT
JUMPING AT THE CHANCE TO WORK THE CASPIAN

- ¶1. (U) Sensitive but unclassified. Not for public Internet.
- ¶2. (U) The Turkmenistan.ru website reported that South Korean Minister of Knowledge Economy, Lee Youn-ho, had told President Berdimuhamedov during a July 6 meeting in Astana that the Republic of Korea is setting up a special consortium of the country's leading companies for developing oil and gas deposits on the Turkmen shelf of the Caspian Sea. Lee also said a business delegation, composed of companies interested in the project, would visit Ashgabat in August. The article further states that Berdimuhamedov proposed that the South Koreans work three promising blocks in the Caspian.
- ¶3. (SBU) According to South Korean Ambassador Kim Chong-yul, the Turkmen did express a strong interest in having Korean companies work in the Caspian, but Lee was coy. The one Korean company that wants to start a project in Turkmenistan, Hyundai, is not having much luck, so it is unlikely that other companies will jump at the chance to pursue work here. Hyundai would like to work on refurbishing the port of Turkmenbashi, but does not have a contract. Despite several visits and much negotiation, Hyundai does not feel it is much closer to a contract than when it first started the process.
- ¶4. (SBU) COMMENT: It's unclear whether the Turkmen horribly misread Lee or want to plump possible future Korean involvement in the Caspian for another reason. Turkmenistan may be trying to put some pressure on ConocoPhillips to finalize its negotiations, since the "three promising blocks" very easily could refer to blocks, 19, 20 and 21. In any case, the Koreans are learning the same lesson the other foreigners who want to do business here must learn - working with the Turkmen requires a lot of patience. Getting to the deal can be a long, long process.
HOAGLAND